



Alabama State Board of Auctioneers

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TO: Licensees, Alabama State Board of Auctioneers

FROM: Peggy Rossmanith, Counsel for the Board

DATE: December 13, 2022

RE: State of Alabama Law Regarding Online Auctions

With the recent law changes, the Alabama State Board of Auctioneers (“the Board”) and its investigators have received numerous questions regarding the conduct of online auctions within the State of Alabama. In short, conducting auctions for the sale of goods or other things that are not your own requires a license issued by the Board.

Under Alabama law, Auctioneers are required to be licensed. The law defines auctioneer:

Any person who has graduated from an accredited auction school and has one year's experience as an apprentice auctioneer or has two years' experience as an apprentice auctioneer in bid calling, for a fee, commission or any other valuable consideration, or with the intention or expectation of receiving the same, by the means of or process of an auction or sale at auction, offers, negotiates, or attempts to negotiate a listing contract, sale, purchase, or exchange of goods, chattels, merchandise, real or personal property or of any other commodity which may lawfully be kept or offered for sale by or at public auction.

Ala. Code § 34-4-2(1) (1975). Auction Business or Business of Auctioneering is defined as, “The performing of any of the acts of an auctioneer or apprentice auctioneer as defined in this section.” Ala Code § 34-4-2(6) (1975). Licensing is required of those who perform auctions as defined by the code:

Each auctioneer shall annually pay one state license in an amount not to exceed two hundred fifty dollars (\$250). Each auctioneer shall also annually pay a county license fee of twenty-five dollars (\$25) in each county where he or she sells by auction. No privilege

license shall be required for any apprentice auctioneer when he or she is listed as the principal auctioneer. No license shall be required for any auctioneer who conducts an auction, without compensation for himself or herself, where all proceeds from the auction go to the benefit of any charitable organization. The term "auctioneer" shall include any person selling real estate, goods, wares, merchandise, automobiles, livestock, or other things of value by or at public auction. Sales at public auction involving any of the following may be conducted for compensation without a license:

(1) Sales at auction conducted by the owner of any part of the goods or real estate being offered, or an attorney representing the owner, *unless the owner acquired the goods to resell.*

(2) Sales for the estate of a decedent by an administrator, executor, or any person acting under order of any court or the attorney of an administrator, executor, or any person acting under order of any court.

(3) Sales of property conveyed by deed of trust, mortgage, judgment, or ordered to be sold according to the mortgage, judgment, order, or decree.

(4) All sales under legal process

Ala. Code § 34-4-27 (1975).

If an individual is selling his or her own goods, he is not required to have a license from the Board. However, if the individual or business acquires goods to resell at auction, whether by consignment, wholesale purchase agreement, or any other type of arrangement, that person or business is required to seek a license from the Board. If you have any questions, please contact the Board, Board staff, or Board counsel.